



Department of Justice

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JUSTICE DEPARTMENT APPROVES NETWORK OF SOUTH CAROLINA DERMATOLOGISTS

WASHINGTON, D.C. -- South Carolina dermatologists will be allowed to form a network to contract with managed health care plans to provide skin care services currently being provided by internists, general and family practitioners and other specialists under a proposal approved today by the Department of Justice's Antitrust Division.

The Department said the nonexclusive network will allow 85 board-certified dermatologists to contract with managed care plans at competitive rates for dermatologic services commonly provided by other types of doctors.

Based on the assumption that the number of network dermatologists in any local market will not exceed 30 percent of all doctors available to provide the same kinds of services, the Department said it is unlikely that network members would attain market power or cause anticompetitive effects.

The Department's position was stated in a business review letter from Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, to Dr. Oswald Mikell of Beaufort, South Carolina. Dr. Mikell submitted the network proposal to the Department.

The network would share administrative costs, institute quality control measures, and achieve savings through group purchasing of supplies. The group will share substantial financial risk either by accepting capitated rates or by withholding a minimum of 20 percent of fees as a risk pool that will be retained or distributed to members only if promised efficiency goals are achieved.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 215 North, Liberty Place, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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